DAVIS • MARTIN • POWELL



September 24, 2013

Re:

City of Trinity

Phase 5 Sewer Extensions DMP Project 110040 (BF)

Joint Legislative Committee on Local Government Committee Chair and Committee Assistant N.C. General Assembly 16 W. Jones Street Raleigh, NC 27601

And

Fiscal Research Division N.C. General Assembly Suite 619 Legislative Office Bldg. 300 N. Salisbury Street Raleigh, NC 27608-5925

On behalf of the City of Trinity we are submitting this letter and attachments to report that the City of Trinity will request LGC approval to finance the Phase 5 project using Rural Development (RD) permanent financing and bank loan construction financing while the project is being constructed. RD has authorized the City to advertise and bid the project for construction.

A copy of the August 5th letter of funding conditions from RD is enclosed indicating a total budget of \$3,640,000 for the project and Loan funding of \$3,100,000 for the project. The bid date is October 1st and we anticipate the City Council will consider the project for tentative award at their October 8th meeting subject to approval by RD and LGC.

Please accept this letter as the City of Trinity's report that they intend to request loan approval from the LGC immediately after the October 8th Council meeting, and as the City's compliance with GS 120-157.

If you have any questions, please let us know.

Sincerely,

Randy I McNeill Pf

DAVISMARTIN-POWELL & ASSOCIAT

RM/dd

C:

Debbie Hinson, City of Trinity Allen Hart, Rural Development Vance Holloman, LGC File



United States Department of Agriculture

110040(BF)

Rural Development

August 5, 2013

Asheboro Area Office

Mr. Carlton Boyles, Mayor City of Trinity PO Box 50 Trinity, NC 27370

Suite 104 Asheboro, NC 27205

Fax 336.629.1032

847 Curry Drive

Voice 336.629.4449 Dear Mayor P

Dear Mayor Boyles:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. This loan (for Phase 5 Sewer Improvements) will be administered on behalf of Rural Utilities Service (RUS) by the State and Area staff USDA Rural Development.

Any changes in project costs, sources of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

This letter is not to be considered as loan approval or as a representation as to the availability of funds. The docket may be completed on the basis of the following:

\$3,100,000.00

RUS Direct Loan

\$ 417,000.00

Applicant Contribution (Fund Balance)

\$ 123,000.00

Applicant Contribution (Tap Fees)

\$3,640,000.00

Total Project Cost

If Rural Utilities Service makes the loan, you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or the time of loan closing. If you choose otherwise, your written request should be submitted to this office as soon as practical, but no later than sixty (60) calendar days prior to loan closing.

Any changes in project cost, sources of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by RD by written amendment to this letter. Any changes not approved by RD shall be cause for discontinuing processing of the application.

The loan will be considered approved on the date a signed copy of Form 1940-1 "Request for obligation of funds," is mailed to you.

Please complete and return the attached Form RD 1946-46. "Letter of Intent to Meet Conditions," if you desire that further considerations be given your application.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, RD reserves the right to discontinue processing the application.

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

PROJECT BUDGET

Funding from all sources has been budgeted for the estimated expenditures as follows:

Project Costs:	Total Budgeted:
, ,) 000.00 000.00
TOTAL	\$3,640,000.00

REPAYMENT SCHEDULE

The loan will be scheduled for repayment over a period of forty (40) years. The first two (2) installments will be for interest only. Each installment will be due and payable June 1, with the first installment due the first June 1 following the date of the loan closing or delivery of the bond.

PREAUTHORIZED DEBIT PAYMENTS (PAD)

Prior to loan closing the applicant must complete U.S. Department of Treasury Form SF-5510, "Authorized Agreement for Preauthorized Payments." This form will authorize the government to electronically debit your Rural Utilities Service loan payment(s) from your specified bank account on a predetermined date (date payment is due). Preauthorized Debit is accomplished through the Automated Clearing House process providing for a cost-effective, secure, reliable, and convenient payment method, thus eliminating the need to write a check for each payment, the expense of mailing the payment, and allows you the certainty of when your payment will be applied. This service is provided to only qualified borrowers.

SECURITY REQUIREMENTS

Security for the proposed loan will consist of a General Obligation Bond authorized and prepared in accordance with RUS Instructions 1780, paragraph 1780.14 and the Local Government Bond Act. The City has previously conducted a bond referendum that has been approved by the qualified voters of the City. Rural Development will negotiate the purchase of the bond with the City and the North Carolina Local Government Commission. The Commission reserves the right to require a public offering of the bond.

APPLICANT CONTRIBUTION AND FUND EXPENDITURE

Prior to the start of construction the City will deposit \$540,000.00 into a construction account. These funds are from tap fees and fund balance and will be the first funds expended and are to be used with other funds to complete the funding of the proposed project.



Friday, September 13, 2013

Joint Legislative Committee on Local Government Committee Chair and Committee Assistant N.C. General Assembly 16 W Jones Street Raleigh, NC 27601

Fiscal Research Division N.C. General Assembly Suite 619 Legislative Office Building 300 N Salisbury Street Raleigh, NC 27603-5925

Debt Issuance Reporting RE:

FY 2013-14 DWSRF Loan Application

Town of Highlands

Lake Sequoyah Raw Water Intake

Dear Committee Chair, Committee Assistant, and Fiscal Research Division:

Pursuant to the recent enactment of Session Law 2011-291 (House Bill 595), this serves as notification that the Town of Highlands is seeking funding in excess of \$1,000,000.00 from the Drinking Water State Revolving Fund for the construction of a raw water intake and associated water lines and appurtenances.

If additional information is needed, please contact our office at 828-526-2118.

Sincerely, incerely, Polar 9 Tye A

Robert A. Frye, Jr. Town Manager

(828) 526-5266

cc:

Vance Holloman, Secretary Local Government Commission N.C. Dept. of State Treasurer 325 N. Salisbury Street Raleigh, NC 27603-1385

Vincent Tomaino Loans and Grants Unit Public Water Supply Section NCDENR - Div. of Water Resources



September 27, 2013

Joint Legislative Committee on Local Government North Carolina General Assembly Legislative Building 16 West Jones Street Raleigh, North Carolina 27601 Attn: Committee Co-Chairs Representatives Mike C. Stone and Harry Warren, House Appointments; and Committee Co-Chair Senator Jim Davis, Senate Appointment

Fiscal Research Division North Carolina General Assembly Legislative Office Building 300 North Salisbury Street, Suite 619 Raleigh, North Carolina 27603-5925

Re: Financing of Water Improvements by City of Raleigh, North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the City of Raleigh, North Carolina (the "City") hereby notifies you of its intent to enter into a Drinking Water State Revolving Fund Loan (the "Loan") with the Division of Water Quality in the North Carolina Department of Environment and Natural Resources subject to the approval of the Local Government Commission, in the expected amount of not to exceed \$3,700,000.00. The proceeds of the Loan will be used to finance certain water improvements, including, but not limited to the E. M. Johnson Water Treat Plant - Sodium Permanganate Facility project. The City's obligations with respect to the Loan will constitute Subordinated Indebtedness under the City's revenue bond Trust Agreement, dated as of December 1, 1996 (the "Trust Agreement"), between the City and the trustee named therein. Obligations issued under the Trust Agreement are special obligations of the City, payable from and secured by a pledge of Net Receipts (as defined under the Trust Agreement), and under certain circumstances by investment earnings and certain net insurance and other proceeds.

CITY OF RALEIGH, NORTH CAROLINA

Acting Chief Financial Officer

CC:

Local Government Commission

One Exchange Plaza 1 Exchange Plaza, Suite 1020 Raleigh, North Carolina 27601

City of Raleigh Post Office Box 590 • Raleigh North Carolina 27602-0590 (Mailing Address) Printed on Recycled Paper

Municipal Building 222 West Hargett Street Raleigh, North Carolina 27601